

June 8, 2012

To: Governing Board

Subject: **Proposed Silver Streak Promotional Fare Reduction**

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## Recommendation

In accordance with the Executive Board's recommendation, authorize the Executive Director to implement the Proposed Silver Streak Promotional Fare Reduction detailed below.

## Background

Regional mobility has been a goal of transit for the Los Angeles basin as well as the eastern San Gabriel and Pomona Valleys for several years. The opening of the new El Monte Bus Station provides an opportunity for Foothill Transit and Los Angeles Metro to coordinate on the provision of seamless and truly regional service between El Monte Station and Downtown Los Angeles, "Silver Corridor". Currently both Foothill Transit and Los Angeles Metro provide similar service between El Monte Station and Downtown Los Angeles utilizing the El Monte Busway. The coordination of service between the two agencies will provide more transit options and a more simplified fare structure.

Foothill Transit's Governing Board, at their meeting on May 9, 2012 authorized the Executive Director to conduct public hearings regarding a 12-month promotional fare reduction on the Silver Streak Service. This fare reduction would be in concert with an agreement with Los Angeles Metro to honor Foothill Transit 31-day passes on their Silver Line Service as well as allow customers who have Los Angeles Metro multi-day passes to utilize Foothill Transit's Silver Streak Service for travel between El Monte Station and Downtown Los Angeles. The fare reduction would have an impact on several other fare products. Estimates of the fare revenue impact are \$324,000 per year; however, this does not take into account the projected ten percent increase in ridership on Foothill Transit's Silver Streak that, if realized could reduce the fare revenue impact based on farebox collections.

Immediately following the May 9, 2012 meeting an outreach campaign was launched to gather public comments regarding the fare decrease. The overwhelming majority of the comments received were through email. Responses were also sought and encouraged through the Foothill Transit Customer Comment Line, via Fax, in writing and at the Transit Stores. Two public hearings were conducted on May 23<sup>rd</sup> and May 24<sup>th</sup> and two customers attended the hearings. The breakdown of comments received is as follows:

- Of the 39 comments received, 33 were in support of the proposal
- Two comments did not support the proposal

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- Four comments were received posing questions or providing feedback that was not related to the proposal

Based on Foothill Transit's overall financial position, ridership trends on the Silver Streak and the comments received, the following promotional fare reduction on the Silver Streak Service is recommended:

Fare Type	Current	Proposed
<b>Cash</b>	\$2.75	Decrease fare to \$2.45
<b>Foothill Transit Passes</b>	Honored only on Foothill Transit buses	Honored on Foothill Transit buses and Metro Silver Line buses
<b>Metro Multi-day Transit Passes</b>	Honored only on Metro buses	Honored on Metro buses and Foothill Transit Silver Streak buses
<b>31-Day Foothill Transit Passes</b>	\$22.00 – \$170.00	Maintain pass prices Reduce upcharge costs
<b>EZ transit Pass</b>	\$35.00 - \$194.00	Accept Zone 2 EZ transit Pass at El Monte Station Westbound Accept Zone 2 or 3 EZ transit Pass from Downtown Los Angeles Eastbound
<b>EZ transit Pass Upcharge</b>	\$1.50	Match upcharges depending on passes used
<b>Student/Senior/Disabled/Medicare</b>	\$2.75	\$1.15 all day

The estimated revenue impact that this proposed Silver Streak promotional fare reduction would have on Foothill Transit at current ridership levels is \$324,800 during the year-long program. However, it is estimated that because of the simplified fare structure, the coordination of service delivery and the fact that Metro's Silver Line is currently operating at capacity, it is projected that a ten percent increase in ridership will be realized with the implementation of this promotional fare reduction program and as such, these negative revenue impacts will likely be partially offset.

As required of transit agencies receiving federal funding, a Title VI fare equity analysis was conducted to assess the effects of the proposed fare changes on minority or low-income populations. This analysis included reviewing the mode of payments or payment media, analyzing alternatives, describe minimizing, mitigating or offset methods to adverse effects and



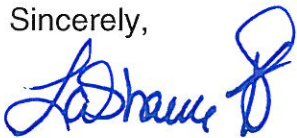
to determine which of the proposals would have a disproportionately high and adverse effect on minority and low-income riders.

The analysis concludes that the proposed fare change is a fare reduction that is anticipated to have minimal, if any negative impacts on low-income and minority populations especially considering that the cash fares have been included in the decrease. Foothill Transit will be embarking on additional analysis of the impact of this proposed promotional fare changes in the coming months as part of the program evaluation that will be reported to the Executive Board on a regular basis. Launching this fare reduction with the opening of the El Monte Bus Station leading to the Los Angeles County Express Lanes Service is anticipated to recapture Foothill Transit Silver Streak ridership and increase overall ridership by approximately 10 percent. Without the increased ridership, an evaluation of the demand for the level of service would need to be undertaken and could result in decreased frequencies or public transit service that is competing to capture riders based on price. Additionally, Los Angeles Metro's comparable service along the El Monte busway is operating at capacity. Foothill Transit currently has capacity to meet these regional transit needs.

#### **Fiscal Impact**

It is anticipated that the possible revenue loss resulting from this promotional program could be as high as \$324,800 annually. This figure does not take into account any additional riders that may utilize Foothill Transit Silver Streak service. However, it is estimated that a projected ten percent increase in ridership on Foothill Transit's Silver Streak using a conservative average fare of \$1.50 will increase fare revenue on that line by \$144,000 to partially offset this possible revenue reduction.

Sincerely,



LaShawn King Gillespie  
Director of Planning



Doran J. Barnes  
Executive Director